

## SPECIAL CITY COMMISSION MINUTES

August 14, 2008

7:00 p.m.

The special meeting of the Junction City City Commission was held on Thursday, August 14, 2008 with Mayor Mick Wunder presiding.

The following members of the Commission were present: Terry Heldstab, Mike Rhodes, Ken Talley, Jack Taylor and Mick Wunder. Staff present was: City Manager Rod Barnes, Assistant City Manager Mike Guinn, and City Clerk Tricia Gowen.

### PLEDGE OF ALLEGIANCE

### PUBLIC HEARING

- a. City staff presented the Proposed 2009 Annual Budget. City Manger, Rod Barnes, presented various options for the 2009 budget to the Commission. The budget that was presented to the Commission sets the 2009 budget at 48.267 mills which is an increase of 0.873 mills and retains the Sanitation service through Veolia Water. The sanitation fees will increase from \$12.50 per month to \$15.50 per month. Another change in the 2009 budget includes reducing the Police Departments budget by eliminating a Captain's position and to conduct the vehicle maintenance differently. These changes would require a lay-off of personnel. Mayor Wunder opened the meeting to the public for comments.

*(The Commission requests that comments be limited to a maximum of five minutes for each person).*

**Mark Sanders, 2726 Glendean Road, Junction City, KS** stated he has researched expenditures from 2005 to the present. Expenditures are outgrowing revenues and the bulk of the expenditures are in debt. The debt for Junction City is way out of line based on growth, revenues, etc. The debt is to be considered. 2009 is the start of a very difficult situation. A mil reduction is not enough. We have a major increase in debt expenditures beginning in 2010. We must cut the budget more in 2009 than what has been done already. Selling the sanitation is an approximate three mil decrease. The Commission should seriously consider this action. If this is a way to decrease the budget, the Commission should sell the sanitation and then get completely out of the business to include not billing for the service. The City should cut the ties and let the business operate on its own. The Commission should consider contracting other services as well – ambulance, etc. The Fire Department has increased in size by six – did the City need to hire them all at once? The Police Department – do we really need the \$600,000 plus increase in the 2009 budget? The Commission should question – do we really need it? Neighborhood Revitalization – Mr. Sanders doesn't see how this benefits the City with the increase in the 2009 budget. How much is too much on a project? The taxpayers would like a four mil decrease that is scheduled for the Neighborhood Revitalization program. Real estate - Mr. Sanders stated that he did not see any plans to purchase land in 2009. Mayor Wunder stated that there aren't any plans to purchase land in 2009. Mr. Sanders asked if there were any plans to sell any property in 2009. Mayor Wunder stated that there are only two properties to sell. These two properties are still current on the tax rolls. Mr. Sanders stated that the City should not purchase property and then sell it for a lower price or a higher price. Mr. Sanders wanted to know the projected amount for debt for 2009. He questioned if the City is on track for what Mr. Arteberry has presented. Mayor Wunder offered to schedule a meeting with Mr. Sanders to review and work through all of his questions. Mr. Sanders stated the he has reviewed the special assessments and the

trend is decreasing. He is not sure the City is on track for special assessments currently. The subdivisions that are currently available; he assumes they are paid. They should be financed now through permanent financing. He questioned why the City is using temporary notes. Mr. Sanders stated that the upcoming decisions won't be easy; however the decisions need to be made or we'll be in bigger trouble than what we have now. The only way to get back in line is to cut people.

City Manager, Rod Barnes, stated that Mr. Sanders has the debt information that was given to him at his request. This information shows the current and projected 2009 numbers. We can only project for future years. Special assessments are funded at 80% of what is expected to be collected. In 2009, the bond reserve is at \$750,000 to provide further protection. George K. Baum is an expert as to when it is best to market the bonds and get the best interest rate. The Neighborhood Revitalization Program is partially funded by the County as well as the City. The program works with the valuation of properties and does not affect the mill levy. Taking funds away from the program does not affect the mill levy. The Fire and Ambulance department provide services to the county and a portion of salaries are charged to the county. The additional six Firefighter/EMT's were hired as stipulated by the grant. The grant was for six additional staff to be hired at one time. The Police Department is increasing from 53 to 57 officers and the salaries are to be funded through a grant. The City has not received notification that we have been awarded the grant. Sanitation – the City would receive \$1 per month for each customer if the sanitation services were sold. Mr. Barnes stated that he would be happy to meet with anyone to answer questions. Mr. Barnes stated that he is comfortable with what George K. Baum recommends. This is a conservative and fiscal advisor and is highly regarded.

**Larry Graham, 918 Hemlock, Junction City, KS** asked how much is actually going to be cut from the budget. Mr. Barnes stated that the cuts are outlined as presented to the Commission. Mr. Graham asked if the City really needed the Police Captain position and he feels the City does need this position; that there are other things that can be cut instead. He feels it would be a good idea to keep the sanitation services even with a price increase. Mr. Graham asked how many police vehicles the City has. Chief Story stated 30 in all. Mr. Graham asked how many police vehicles are on the road patrolling. It was stated that six to seven are on the road. He asked how many unmarked vehicles go home with personnel. Chief Story stated that three go home with staff. The Captains take their vehicles home so they are able to respond immediately when called out to a scene. Mr. Graham asked about decreasing the Sundown Salute contribution and does the Sundown Salute still use Carol Gould? City Manager, Rod Barnes, stated that the Sundown Salute Committee decides who to use. Mr. Graham wondered if it was a conflict with ethics to hire Ms. Gould as the Sundown Salute public relations person. Mr. Graham asked if the Opera House Director position was really needed. Mr. Graham believes the Little Theater group could run the Opera House with volunteers. Mr. Graham feels that things could be cut from the budget that are frivolous instead of cutting in the police and fire budgets. The City should keep the essential services funded – fire, sanitation, water, arts council, police, etc. Mr. Graham feels that the Engineering Department could hire additional staff to conduct the management, oversight and inspection of the resurfacing projects. Mayor Wunder stated this would work if the City did one project at a time. The staff would need to be present at each job site every day and that would be difficult. Mr. Graham stated that the Commission should think about this and be very wise about what they do.

**Chris Jasinski, 7218 Rockwood Drive, Milford, KS** stated that there are pros and cons with regards to selling the sanitation service. Mr. Jasinski stated that the Commission should consider selling the sanitation service. The sanitation business is only going to become more complicated in the future. If sold, the service should be sold without any contractual strings attached. The service should be put out to bid. The Commission should also consider reducing personnel; possibly doing a personnel freeze and then eliminate positions through attrition. Ms. Jasinski stated that the Commission should not lay off a Police Captain. Ms. Jasinski stated that tax incentives should not be given to anyone who would use the property to generate a profit.

Commissioner Rhodes stated that the Economic Development Board has reviewed the Neighborhood Revitalization Program and will bring their recommendations for updating the program to the Commission at a future meeting.

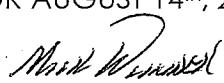
Mayor Wunder stated that he appreciates the Commission and everyone who sat through all of the budget discussions. This is a difficult situation. The City needs the personnel we have in order to run the City. The Commission and City staff have been trying to get as much information out to the public as possible. He invited the public to meet with the City Manager and himself. Mayor Wunder stated that if we choose to be negative as a City, then we take a step backward. The decisions on the budget will be made at the August 19, 2008 Commission meeting and we will have to work with that decision. We must work together to succeed.

#### **ADJOURNMENT**

Commissioner Rhodes moved, seconded by Commissioner Heldstab to adjourn at 8:30 p.m. Ayes: Heldstab, Rhodes, Talley, Taylor, Wunder. Nays: None. Motion carried.

APPROVED AND ACCEPTED THIS 2<sup>nd</sup> DAY OF SEPTEMBER, 2008 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY COMMISSION MINUTES FOR AUGUST 14<sup>th</sup>, 2008.

  
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Tricia Gowen, City Clerk

  
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Mick Wunder, Mayor